



Director of
**Central
Intelligence**

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National Intelligence Daily

Monday

15 October 1984

OCPAS/CIG
CY'S 477-486

~~Top Secret~~

CPAS NID 84-241JX

15 October 1984

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USSR:

Statement on Cruise Missile Programs

A statement on Saturday from the Soviet Ministry of Defense accurately summarized the status of the USSR's air-launched cruise missile program but overstated Soviet development of sea- and ground-launched systems. [redacted]

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The TASS announcement said, "The armed forces of the USSR have begun to deploy long-range cruise missiles on strategic bombers and submarines," and reported that they are "holding successful tests of ground-launched cruise missiles." The statement explained these activities as necessary "countermeasures" to the basing of ground-launched cruise missiles in Western Europe and to the US deployment of long-range cruise missiles on bombers, submarines, and surface ships. [redacted]

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Comment: The USSR normally does not announce the operational status of new weapon systems, suggesting that the statement was issued to influence the US elections and possibly to strengthen the Soviet position in any postelection arms control negotiations. [redacted]

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SPAIN:**Strategy on NATO Resolution**

Prime Minister Gonzalez is quietly trying to mobilize support within his Socialist Party for a resolution that would minimize direct reference to NATO while calling decisively for Spain's broader integration into Western Europe.

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Several prominent Catalanian Socialists recently told the US Consul General in Barcelona that party leaders have instructed local party bosses to keep their position on NATO ambiguous. According to a party executive and parliament member, Gonzalez sees this as essential to avoid dissension at the congress during 14-16 December and to give him maneuvering room to ensure a pro-NATO outcome of a national referendum.

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The same source insisted that the government has no alternative but to hold the referendum and suggested that following Gonzalez's strategy would be essential to win endorsement of NATO membership. In his view, the issue of military integration into NATO has to be deferred, and political integration must be closely linked with Spain's accession to the European Community.

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Gonzalez, moreover, is likely to continue hedging his public statements, and Spanish officials can be expected to hint at possible tradeoffs concerning NATO membership and the US military presence in Spain.

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Comment: Gonzalez has worked successfully behind the scenes to bring top Socialist leaders on board, and he seems confident that his strategy of ambiguity will eventually lessen opposition to NATO at the grassroots level. He recognizes, however, that opposition to NATO membership remains substantial.

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A poll published last week indicated that 30 percent of Socialist supporters would now back Gonzalez's position, while 60 percent would choose to withdraw from NATO. Only 10 percent would opt to stay in the Alliance.

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GREECE-LIBYA: Military Training and Sales Agreements

Greece and Libya have apparently concluded two agreements covering naval training and ammunition sales, which are likely to boost Libya's international standing and upset Greece's Western allies.

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Prime Minister Papandreou agreed in Libya last month to sell unspecified types and quantities of ammunition to the Libyans as part of their bilateral economic agreement. In addition, Papandreou earlier this month ordered the Greek Navy to provide operational and technical training to the Libyan Navy as well as repair facilities for its ships.

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The two countries signed an agreement in principle in April 1984 on the repair facilities and technical training, but the question of operational training reportedly was left open because some members of the Greek Navy General Staff questioned the propriety of training the Libyans in NATO tactics.

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Comment: Libyan Navy students have trained in Greece for a number of years. The training program Athens has agreed to provide is unknown, but it certainly would address the serious inexperience of Libyan naval crews, particularly in the use of their newer Western-supplied equipment. Both Navies have French La Combattante guided-missile patrol boats, and the Greeks could provide some training and technical advice at least on those ships.

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The Greeks probably do not consider the repair agreement to be any different from the one they signed with the Soviets in 1982. Tripoli long has had difficulty getting shipyards to service its Western-built ships, and France, Italy, and the UK have refused to take on new Libyan work.

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Libyan leader Qadhafi will contend that the agreement shows that he is an accepted member of the international community and will press other West Europeans to resist US efforts to isolate him. The other Western allies are likely to be unhappy with these agreements, particularly the operational training aspects. Papandreou, however, probably will defend them as another source of revenue for Greek shipyards and defense-related industries.

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IRAQ-US: Plans To Restore Ties

President Saddam Husayn said in an interview published last week that Iraq will consider restoring diplomatic relations with the US after the elections in November. He claimed that Iraq had avoided such action during the war with Iran because it might be misinterpreted as a sign of weakness. Now, he said, Iraq has proved it can defend itself without the help of the superpowers. [REDACTED]

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Comment: Baghdad probably wants improved relations as a sign of US support in the war and to increase Iraq's leverage in its military and economic dealings with Moscow. Foreign Minister Aziz tried—unsuccessfully—to hold highly visible meetings with senior US officials in Washington earlier this month, probably in order to discuss resuming ties. Saddam may also intend the announcement to prepare the way for a resumption of full relations with Egypt. [REDACTED]

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BANGLADESH: Final Offer on Martial Law

President Ershad has offered to relax martial law gradually, if the opposition parties agree to participate in the parliamentary elections. He would end it entirely when the Parliament convenes. The opposition alliances have reacted to the long-awaited announcement with disappointment and held a protest demonstration yesterday. [REDACTED]

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Comment: Ershad probably is not willing to go any further to accommodate the opposition parties, which had hoped for an early end to martial law. If they still refuse to end their planned boycott, he is likely to postpone elections, now scheduled for 8 December. Although the major groups probably will try to avoid an all-out confrontation with the regime, scattered violence by dissidents also could derail the election process and provoke a security crackdown. [REDACTED]

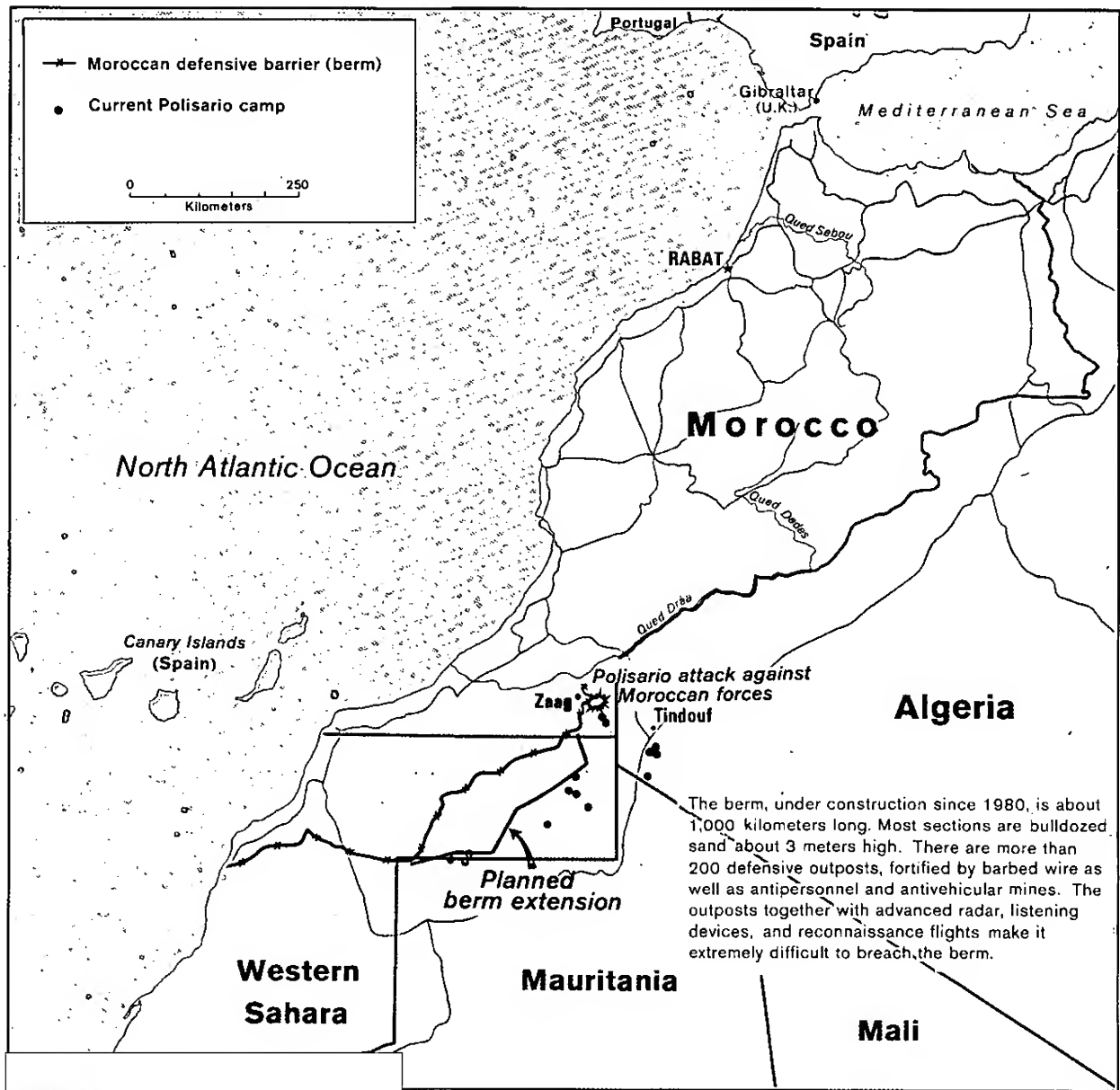
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MOROCCO-ALGERIA: Guerrillas Conduct Major Attack

The Polisario Front launched a major attack against Moroccan positions in southern Morocco near the Algerian border on Saturday, [redacted] The Moroccan Air Force reportedly repelled the attack. [redacted] The Moroccans claim to have captured five tanks and several prisoners, including a guerrilla battalion commander. A Polisario communique states that the attack is the beginning of its "Greater Maghreb" offensive. [redacted]

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Comment: Heightened military activity near the border risks touching off a clash between Moroccan and Algerian forces. The Polisario probably hopes that increased military pressure on Morocco will stop the planned extension of the defensive berm. During and after the last extension of the berm, Algeria showed its anger by sending fighter aircraft into Moroccan territory, by redeploying some of its forces in the Tindouf area, and by ambushing a Moroccan patrol that had crossed the border north of the Sahara. The Polisario is not capable of sustaining battalion-size attacks for more than a few days without direct Algerian assistance. [redacted]

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SAUDI ARABIA-OMAN: Naval Exercise

The US defense attache in Riyadh reports that the Saudi and Omani Navies will conduct their first combined exercise later this month. The Saudis are to send three missile boats and a new replenishment ship from their Red Sea flotilla. Attache sources believe that the exercise—which coincides with air and ground maneuvers in Saudi Arabia sponsored by the Gulf Cooperation Council—will be held off the coast of Oman. The Saudi and Bahraini Navies may hold a similar exercise later. [redacted]

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Comment: Riyadh's expanding Navy is gradually improving its operational capabilities. Last month, two Saudi minesweepers sailed from the Persian Gulf to the Red Sea with an escort of missile boats. Maneuvers with the British-trained Omani Navy, currently the most effective naval force among the Arab states of the Gulf, will develop Saudi skills further. The exercise is another step in the growing military cooperation between Oman and Saudi Arabia, which conducted combined air maneuvers in Oman in August. [redacted]

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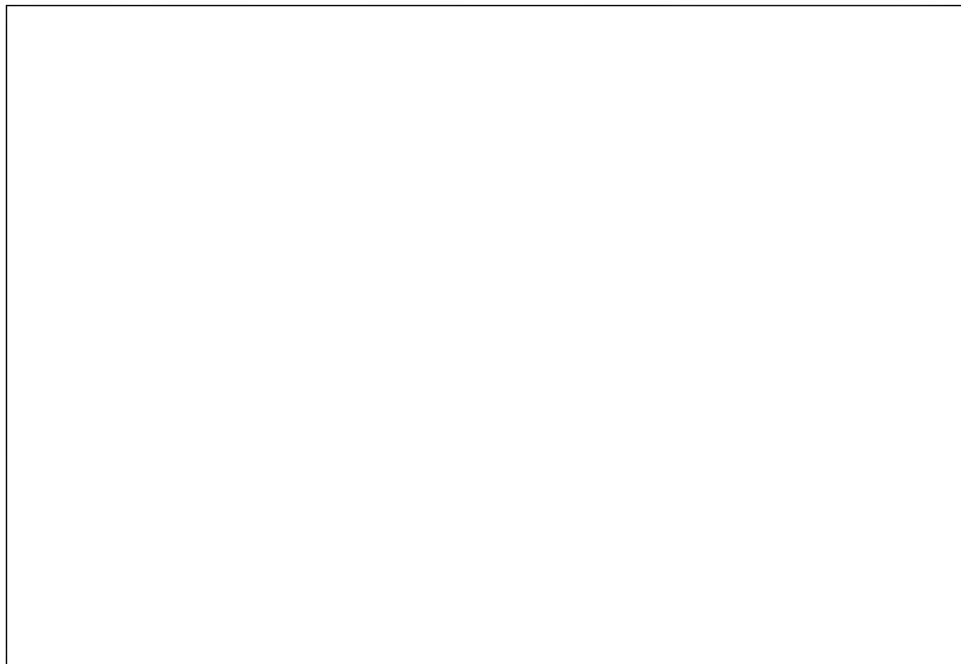
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SUDAN: Talks on Government for South

President Nimeiri's sponsorship of a series of conferences on the future government of southern Sudan shows a new willingness to seek reconciliation with the south. According to the US Embassy in Khartoum, Second Vice President Joseph Lagu, a southerner who dominated the first conference last week, proposed that the three regional governments remain but that a new high executive council be established to represent the entire south. Lagu said such an arrangement would satisfy both proponents of decentralization and those who want to see the south regain the unified, semiautonomous status it had before June 1983. [REDACTED]

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Comment: Most southerners believe decentralization violated the Addis Ababa accords of 1972 that ended the long civil war. The limited scope of the current talks makes them more likely to succeed than earlier reconciliation efforts. These had foundered over such southern demands as restructuring the region's military forces, redistribution of natural resources, and negotiations with the insurgents. [REDACTED]

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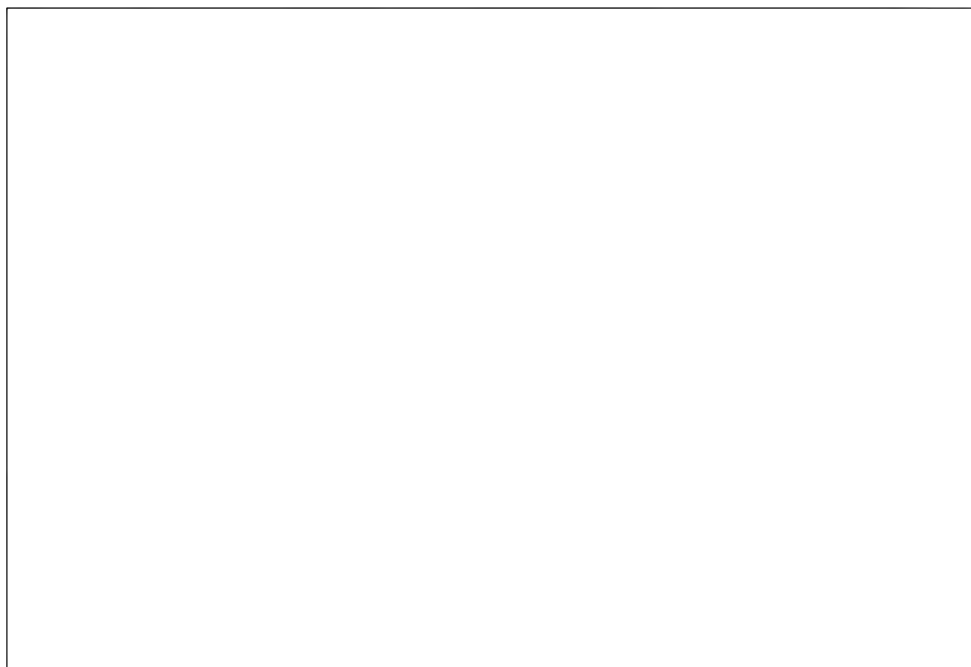
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USSR-NIGERIA: Sale of MIG Aircraft

The USSR and Nigeria signed an agreement on Thursday for MIG-21 fighter aircraft and related equipment, according to Nigerian Radio. Negotiations for the sale had begun in July. The US defense attache in Nigeria reports Moscow initially offered Lagos the more advanced MIG-23 instead of the MIG-21. This is the first major Soviet arms deal with Nigeria since 1979 and is one of the largest arms sales by Moscow to a West African country in several years. [redacted]

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Comment:

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[redacted] Lagos may see the MIG-21s as a stopgap until it can afford to buy more satisfactory Western aircraft, a move that Moscow may have tried to forestall by offering MIG-23s. Nigeria's decision to purchase less expensive aircraft reflects its economic difficulties and is in line with Lagos's traditional policy of buying weapons from both West and East. [redacted]

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In Brief**Middle East**

— **Libyan**-trained assassins reportedly identified US Ambassador to **Sudan** as possible terrorist target, according to US Embassy in Khartoum . . . further information and reliability of original source unavailable . . . Embassy taking additional precautions.

— Western military attache observed large number of **Soviets** leaving SA-5 complex at Homs, **Syria** . . . suggests process of transferring control of SA-5s to Syria is proceeding.

USSR-Europe

— **USSR** pressing **East European** media into coordinated propaganda offensive during US Presidential campaign . . . part of broader push for more unified Warsaw Pact foreign policy in response to East-West tensions.

Asia

— This weekend **Philippine** President Marcos announced IMF approval of \$615 million balance-of-payments loan . . . warned Filipinos that economic program would require sacrifices . . . noted bridge loan of \$80 million from US, Japan, and South Korea.

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Special Analysis**SAUDI ARABIA: Improving Internal Security**

Saudi Arabia's successful handling of the Hajj last month underscores the progress Riyadh has made in improving its internal security. The takeover of the mosque at Mecca by radicals just after the pilgrimage in 1979 was the catalyst for Riyadh's massive effort to expand and improve its internal security forces. Serious weaknesses remain, however, and an incident similar to the seizure of the mosque would still prove difficult for security forces to handle and could jeopardize the safety of the 65,000 US citizens living in Saudi Arabia.

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The regime faces a number of internal threats other than the annual pilgrimage problem. These include discontent among Shias in Eastern Province and Iranian attempts to exploit it, growing Sunni fundamentalism, and the presence of some 3 million foreign laborers. The royal family relies heavily on sizable internal security forces to maintain tight control.

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Answering the Threat

The Saudi Government has spent well over \$1 billion since 1979 on expanding its internal security forces. It has relied heavily on the US and other Western countries for the most advanced equipment and training. Riyadh's highest priorities are improving riot control capabilities and the protection of vital installations.

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The government also is trying to mollify potential sources of antiregime activity and reduce the likelihood of externally supported subversion. This tactic has been moderately successful.

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Spending for development in Al Qatif—inhabited largely by Shias—has increased dramatically since disturbances there during religious ceremonies in 1979 and 1980. The Shia rites took place again early this month without incident.

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Weaknesses Remain

The buildup of internal security forces has not corrected some fundamental problems such as shortages of skilled manpower, poor command and control, and lack of coordination among the various services.

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The US Embassy reports the government is concerned that the security forces themselves one day might pose a threat and has taken steps to limit their effectiveness. By extensively duplicating responsibilities, the regime prevents any one service from developing a strong independent power base. [REDACTED]

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Outlook

Saudi security forces can quell localized civil disturbances without much difficulty. They probably would have trouble, however, dealing with scattered antiregime violence or with a well-organized campaign of subversion and terrorism. [REDACTED]

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Under such circumstances, Riyadh probably would seek increased but discreet intelligence cooperation with the US. Even so, the regime is unlikely to ask for extensive US involvement, in view of its sensitivity to foreign and domestic criticism of its ties to the US. [REDACTED]

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Widespread subversion could jeopardize the safety of the large number of Americans in Saudi Arabia. Security around US diplomatic posts is inadequate, and US business interests are highly visible. [REDACTED]

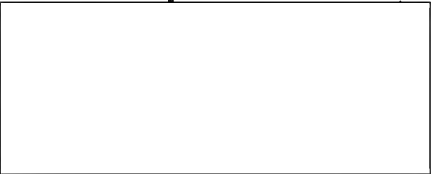
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Serious internal security problems probably would prompt the government to make foreign policy moves that would complicate US initiatives in the Middle East. Riyadh, for example, would be likely to look for ways to demonstrate its opposition to US support for Israel and to establish its Islamic, Nonaligned, and Arab nationalist credentials. The regime probably would also turn inward, avoid mediation in regional disputes, and intensify its efforts to conciliate such radical states as Syria and Libya. [REDACTED]

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